

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

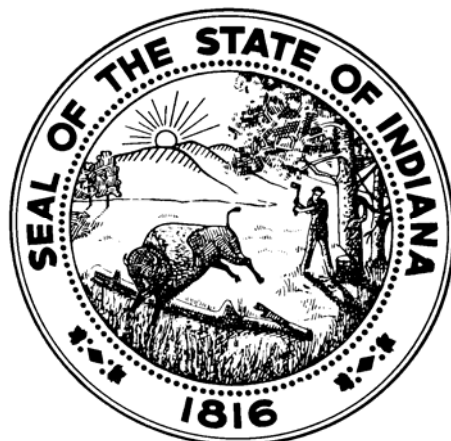
EXAMINATION REPORT

OF

CLAY COUNTY

CLAY COUNTY, INDIANA

January 1, 2006 to December 31, 2006



FILED

06/11/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Joseph Dierdorf Mary Jo Alumbaugh	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Treasurer	Jack Withers, Sr. Vacant	01-01-04 to 04-17-07 04-18-07 to 12-31-07
Clerk	Mary Brown	01-01-05 to 12-31-08
Sheriff	Michael W. Heaton	03-31-05 to 12-31-10
Recorder	Angela Modesitt	01-01-05 to 12-31-08
President of the Board of County Commissioners	Charles Brown	01-01-06 to 12-31-07
President of the County Council	Larry Moss Mike McCullough	01-01-06 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDIANAPOLIS, INDIANA 46204-2769

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF CLAY COUNTY, INDIANA

We have examined the financial information presented herein of Clay County (County), for the period of January 1, 2006 to December 31, 2006. The County's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the County for the year ended December 31, 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

May 10, 2007

CLAY COUNTY
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General Fund	\$ 486,638	\$ 6,320,821	\$ 5,963,721	\$ 843,738
Accident Report	1,831	3,318	695	4,454
Adult Probation Administration Fees	17,506	26,757	15,562	28,701
Adult Probation User Fees	126,331	84,372	49,906	160,797
Aerial Map	3,957	119	-	4,076
Association Ditches	-	33,400	33,400	-
At Risk Attendance	43,064	30,289	32,798	40,555
Aviation	10,500	54,117	52,983	11,634
Automotive Safety Program	-	2,500	1,963	537
Aviation IDOT Grant	50	-	-	50
Brickcraft Road Project	-	750	750	-
Bulletproof Vest Grant	126	-	-	126
Campaign Finance Enforcement	140	150	-	290
CEDF-Brickcraft Road Construction	-	31,000	31,000	-
Child Restraint Violation Fines	-	625	625	-
Children with Special Health Needs	-	27,164	27,386	(222)
Children's Psychiatric Residential Treatment Services	22,209	57,290	16,096	63,403
City and Town Court Costs	-	13,268	13,268	-
City and Town Ordinance Violations	-	1,971	1,971	-
Clay-Owen-Vigo Recycling Grant	63	4,578	4,641	-
Clay City License Branch	-	40,225	34,957	5,268
Clay City Traffic Fines	-	120	120	-
Clerk Incentives	24,413	8,837	3,151	30,099
Clerk's Record Perpetuation	35,025	16,113	39,808	11,330
Clerk's User Fees	29,301	8,365	6,790	30,876
Community Corrections Home Detention	148,220	119,594	122,899	144,915
Council On Domestic Abuse	-	3,771	3,771	-
County Corrections	24,308	17,929	13,680	28,557
County Sales Disclosure	9,614	4,055	-	13,669
Crime Victim Assistance 2007	77	15,240	13,687	1,630
Crime Victim Assistance 2006	2,337	16,075	18,412	-
Cumulative Bridge	1,734,281	497,377	722,219	1,509,439
Cumulative Capital Development	215,334	196,420	98,478	313,276
Cumulative Voting	30,774	62,410	83,224	9,960
Drainage Maintenance	12,400	11,938	4,000	20,338
Drug Forfeiture Fund	1,371	52,210	10,325	43,256
Drug Free Community	22,686	25,331	19,792	28,225
Education Plate Fee	-	1,238	1,238	-
Emergency Telephone System	310,167	421,763	534,372	197,558
Family and Children	682,261	744,822	717,939	709,144
Federal Equitable	37,794	-	24,694	13,100
Firearms Training	3,242	6,725	2,121	7,846
General Drain Improvement	26,809	2,869	10,068	19,610
Guardian Ad Litem	1,402	2,099	1,638	1,863
HAVA Title III Grant	40,000	-	-	40,000
Health	2,911	290,760	275,994	17,677
Health Maintenance	55,811	33,139	23,062	65,888
Hepatitis B Vaccine	2,239	1,380	388	3,231
Highway	713,883	2,337,509	1,748,418	1,302,974
Homeland Security Grant	-	650	650	-
Hospital Care for the Indigent	-	112,679	113,605	(926)
Host Homes	-	8,209	7,359	850
Indiana Tobacco Prevention Grant	4,763	761	5,524	-
Interstate Compact Fee	38	112	150	-
Infraction Judgments	-	7,700	7,700	-
JAIBG Program Grant	216	-	216	-
Jail - CAGIT	731,807	1,103,831	684,918	1,150,720
Jail Bond	1,065	-	-	1,065
Jury Pay	46,263	5,977	-	52,240
Jail Training and Equipment	-	7,465	-	7,465
Juvenile Probation Administration Fees	5,663	3,835	8,000	1,498
Juvenile Probation User Fees	38,403	11,984	13,997	36,390
Law Enforcement Block Grant	2	-	-	2

The accompanying notes are an integral part of the schedule.

CLAY COUNTY
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006
(Continued)

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds (continued):				
Law Enforcement Continuing Education	645	-	300	345
Levy Excess Special Revenue	-	29,888		29,888
Local Emergency Plan Commission	3,651	9,894	1,300	12,245
Local Emergency Plan Subgrant	174	-	-	174
Local Planning	3,239	-	-	3,239
Local Road and Street	54,768	268,695	206,327	117,136
Medical Assistance to Wards	-	1,006	1,015	(9)
Mortgage Fee	-	3,670	3,670	-
New Jail Construction (Retainage)	342,099	-	342,099	-
Overpayments - Property Tax	40	-	40	-
Overweight Vehicles	-	1,407	1,407	-
Pandemic Assessment	-	2,230	305	1,925
Park and Recreation	8,034	19,437	23,017	4,454
Plat Book	48,237	7,320	-	55,557
PON Immunization Grant	12	-	-	12
Pretrial Diversion	4,990	16,478	9,912	11,556
Property Reassessment	1,448,740	1,148,659	1,120,860	1,476,539
Prosecutor Check Collection Fees	10,975	6,393	2,839	14,529
Prosecutor Incentives	20,293	13,296	6,445	27,144
Prosecutors Deferral Fees	59,099	97,512	106,733	49,878
Public Defender	40,007	11,550	10,209	41,348
Public Health Bioterrorism Grant	19,000	700	-	19,700
Public Health Emergency Preparedness Coordinator	-	39,383	44,083	(4,700)
Rainy Day Fund	395,576	1,176	-	396,752
Recorder's Records Perpetuation	124,052	47,407	77,204	94,255
Redevelopment Committee Fees	-	900		900
Redevelopment Distribution Capital Bond	47,818	-	-	47,818
Sales Disclosure	800	7,670	8,110	360
Self Insurance	50,266	747,698	797,961	3
Sheriff's Commissary	18,926	82,125	90,088	10,963
Social Security Redaction	-	11,232		11,232
Special Death Benefits	-	1,323	1,323	-
State Homeland Security	-	53,078	53,078	-
State Drunk Driving Fees	380	-	-	380
State Settlement	-	92,143	92,143	-
Stop Grant 2006	1,758	12,071	13,829	-
Stop Grant 2007	-	-	10,072	(10,072)
Surveyor's Corner Perpetuation	14,218	7,030	3,475	17,773
Tax Increment Financing - Jackson Township	63,765	45,165	69,837	39,093
Tax Increment Financing - Posey Township	4,951	5,003	6,848	3,106
Tax Increment Financing - Van Buren Township	81,570	64,581	28,725	117,426
Title III Vote Machine Reimbursement	120,584	-	-	120,584
Tobacco Settlement Distribution	20,807	18,133	19,468	19,472
Wal-Mart Law Enforcement and Community Service	-	149		149
Women, Infants and Children 2006	1,241	115,418	116,659	-
Women, Infants and Children 2007	-	7,259	28,093	(20,834)
Work Release Administrative Fees	-	25	-	25
Fiduciary Funds:				
Aviation Rotary	17,517	31,223	31,426	17,314
Clerk of the Circuit Court	557,969	3,252,091	3,247,839	562,221
Community Corrections	9,337	74,373	75,704	8,006
Community Corrections	12,702	79,805	69,185	23,322
Congressional School Interest	4,647	273	425	4,495
Congressional School Principal	10,789	-	-	10,789
Coroner's Continuing Education	29	1,298	1,310	17
County Prosecutor Trust	4,508	32,935	36,459	984
County Recorder	-	140,205	140,205	-
County Sheriff	14,973	807,601	768,040	54,534
Court of Appeals Transcript	156	-	-	156
Dog Collection Tax	-	2,880	2,680	200
Inheritance Tax	52,508	310,759	320,064	43,203
Overweight Vehicle Fines	-	-	-	-
Payroll Withholdings	29,220	3,943,737	3,942,726	30,231

The accompanying notes are an integral part of the schedule.

CLAY COUNTY
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006
(Continued)

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Fiduciary Funds (continued):				
Probation Department	40	370	410	-
Probation Supplemental	1,331	262	-	1,593
Sheriff's Pension Trust	710,321	128,841	55,012	784,150
State Fines and Forfeitures	3,862	20,682	23,436	1,108
Surplus Tax	6,666	85,220	7,543	84,343
Tax Distribution	-	24,766,188	24,766,188	-
Tax Sale Redemption	19	30,414	25,274	5,159
Tax Sale Surplus	34,456	42,992	68,388	9,060
Title Check Fees	2,452	345	-	2,797
Treasurer Trust	422,933	26,623,013	26,832,238	213,708
Welfare Trust	17,633	1,725	1,375	17,983
Totals	<u>\$ 10,632,078</u>	<u>\$ 76,268,342</u>	<u>\$ 75,337,531</u>	<u>\$ 11,562,890</u>

The accompanying notes are an integral part of the schedule.

CLAY COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The County was established under the laws of the State of Indiana. The County provides the following services: public safety, health and social services, and general administrative services.

Note 2. Fund Accounting

The County uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the County in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the County on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depositary Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the County to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

CLAY COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The County contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Long-Term Debt

The County has entered into various debts, such as general obligation bonds for courthouse renovations, revenue bonds for infrastructure improvements, and capital leases for Sheriff's Department vehicles, radios and a county jail. The outstanding principal at December 31, 2006, was \$485,000, \$445,000, and \$11,798,087, respectively.

CLAY COUNTY
OTHER REPORTS

The examination report presented herein was prepared in addition to other official reports prepared for the individual County offices listed below:

County Sheriff
Department of Aviation

CLAY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 10, 2007, with Mary Jo Alumbaugh, Auditor; and Charles Brown, President of the Board of County Commissioners. Our examination disclosed no material items that warrant comment at this time.